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Code Administrator Meeting Summary

GC0134 Removing the telephony requirements for small, distributed and aggregated market participants who are active in the Balancing Mechanism.

Date: 5 February 2020

Contact Details

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Key areas of discussion

The Workgroup discussed the following:

- **What should the threshold be?**
    - Is a threshold required or can adoption of 24 hour telephony be on a voluntary basis?
    - Should the threshold be aligned with existing thresholds such as that for mandatory BM participation?
- **Who would the threshold apply to?**
    - Per unit seems most in line with existing rules but does this create a danger of large (above threshold) control points without telephony formed of many small (below threshold) units?
    - Control point would address the above risk but how easy would it be for aggregators to create numerous control points all below the threshold?
    - Aggregator would address the above risk but is telephony appropriate to apply to an aggregated portfolio of very small (far below the threshold) units?
- **What rules would apply for exemption?**
    - Below threshold units can install telephony on a voluntary basis?
    - Installed telephony can either be operated on 24 hours or office hours only at the participants discretion?
    - At times that telephony is not active, alternative backup measure must be put in place?
- **What backup measures could be imposed for contingency operation?**
    - In the event that contact is lost, units return to independent operation?
    - In the event that contact is lost, units enter a predetermined mode of operation e.g. frequency sensitive, reactive power response?
- **What is the impact on existing providers?**
    - Will existing providers below the threshold switch to "BM lite"?

Key points;

- Voluntary Control/System Telephony would not be a good solution for ESO Control Room
- Currently a 300MW threshold for Wider Access API (aggregators with portfolios below 300MW can use certain Wider Access services such as API). It was felt that this threshold would be too high for Control/System Telephony, as that level of generation would have a material impact on resilience.
- Threshold of 100MW, (lower limit for mandatory BM participation) also felt likely to be too high, but to be considered by the Energy Steering Group and fed back.
- Threshold application; overall consensus was that it should apply at the Control Point, rather than at BMU or site level. For Control Points above threshold, hardwired Telephony requirements would apply.
- The risks were discussed and alternatives to cover the 24/7 cover requirement.
- Alternative modes of operation, impact on existing providers and potential trial were discussed and challenged

Next steps;

- Agreed proposed timeline for this modification
- Agreed Proposer to work on a solution as a point of focus for the next meeting

Indicative Timetable agreed at Workgroup Meeting (subject to change)

The Code Administrator recommends the following timetable:	
1st Workgroup meeting	17 January 2020
2nd Workgroup meeting	05 February 2020
Draft Workgroup report to be developed by	27 February 2020
3rd Workgroup meeting to review report	04 March 2020
Workgroup members review draft report by	13 March 2020
Agree workgroup consultation questions	20 March 2020
Workgroup Consultation issued to the Industry	27 March 2020
Modification concluded by workgroup	06 May 2020
Workgroup Report presented to Panel	28 May 2020
Code Administration Consultation Report issued to the Industry	TBC
Draft Final Modification Report presented to Panel	TBC
Modification Panel decision	TBC
Final Modification Report issued the Authority	TBC
Decision implemented in Grid Code	TBC

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Actions Log

Number	Action	Status
1	ESO rep to find data on how many of each type of providers there are currently and projected to be, in the future	Closed
2	Code Admin team to share updated ESO rep slides post workgroup meeting	Closed
3	PS which ancillary services require telephony?	Closed
4	Proposer to create a draft solution to circulate via email before the next workgroup meeting	Open
5	Speak to Ofgem regarding a Regulatory Sandbox or a traditional time limited derogation if exploring the idea of a pilot study (this action will be covered by the above proposed solution which will explore both: workgroup will need to explore both in more detail before writing to Ofgem	Open
6	JW to provide feedback from ESG following the meeting held after workgroup two	Open
7	AJ to provide standard contract terms link and circulate via code administration team to members	Open

For further information, please contact the Code Administrator.